

CHAPTER 3
CERTIFICATE OF CERTIFIED PUBLIC ACCOUNTANT

[Prior to 7/13/88, see Accountancy, Board of[10]]

193A—3.1(542C) Colleges or universities recognized by the board. Iowa Code sections 542C.5 and 542C.20, in providing for educational qualifications for a certificate as a certified public accountant or a permit to practice public accounting, refer to colleges or universities “recognized by the board.” For such purpose, the board recognizes the state-supported educational institutions that have been granted collegiate status by this state, the American Assembly of Collegiate Schools of Business, and the regional accrediting bodies listed in the current publication of the Accredited Institutions of Post Secondary Education which listing is made a part of these rules by reference.

This rule is intended to implement Iowa Code section 542C.5.

193A—3.2(542C) An accounting concentration.

3.2(1) On or before December 31, 2000, Iowa Code sections 542C.5 and 542C.20, in providing for educational requirements for a certificate as a certified public accountant, refer to “substantially the equivalent of an accounting concentration, including related courses in other areas of business administration.” This particular requirement will be deemed to have been met, for example, in the case of:

a. A certification by a school recognized by the board as offering an accounting major that a candidate’s nonaccounting degree, supplemented by additional courses, is the equivalent of education received by its accounting majors, or

b. A baccalaureate degree obtained from a college or university recognized by the board with a nonaccounting major if it is appropriately supplemented by courses in accounting and related business subjects from the same or other similarly qualified institutions.

In any case, whether the candidate has a nonaccounting degree supplemented by additional courses or has a degree with a major in accounting, the candidate shall have satisfactorily completed 48 semester hours, or the equivalent thereof, in accounting and related subjects. Not less than 24 hours shall be in accounting courses (of which at least one course shall be in auditing) and the remainder may be in the subjects of economics, statistics, business law, finance, business management, marketing, business communication, or other business-related subjects.

3.2(2) On or after January 1, 2001, candidates will be deemed to have met the educational requirement if, as part of the 150 semester hours of education, they have met one of the following four conditions. With each of the conditions listed below, the minimum accounting hours do not include elementary accounting (principles of accounting), business law, internships or life experience.

a. Earned a graduate degree with a concentration in accounting from a program that is accredited in accounting by an accrediting agency recognized by the board.

b. Earned a graduate degree in business from a program that is accredited in business by an accrediting agency recognized by the board and completed at least 24 semester hours in accounting including courses covering the subjects of financial accounting, auditing, taxation, and management accounting.

c. Earned a baccalaureate degree in business or accounting from a program that is accredited in business by an accrediting agency recognized by the board and completed at least 24 semester hours in accounting courses covering the subjects of financial accounting, auditing, taxation, and management accounting.

d. Earned a baccalaureate or higher degree and completed the following hours from an accredited institution recognized by the board:

(1) At least 24 semester hours in accounting courses covering the subjects of financial accounting, auditing, taxation, and management accounting, and

(2) At least 24 additional semester hours in business-related courses, not including internships or life experience.

Quarter hours will be accepted in lieu of semester hours at a 3:2 ratio; that is, three quarter hours is equivalent to two semester hours.

3.2(3) The board will consider correspondence study, and study in other schools not meeting the above requirements, on an individual basis as to candidates who are nonaccounting majors and majors needing supplemental credits in accounting and related subjects, if the candidate can provide evidence that such study would be acceptable for credit by a college or university recognized by the board; provided, however, that at least 18 of the required hours in accounting and at least 16 of the required hours in related subjects must be obtained in a college or university recognized by the board.

3.2(4) The applicant's claim to college or university credits must be confirmed by an official transcript of credit issued by the institution in question. The applicant shall be responsible for having such transcripts sent to the board at the time of making application. The applicant shall also be responsible for having any institution not listed under rule 193A—3.1(542C) furnish the board evidence that it meets the accreditation requirements of the board. In addition, the applicant is responsible for all material being in possession of the board by the deadline for filing applications. Otherwise, the application shall be considered incomplete and shall be disapproved by the board.

3.2(5) Graduates of foreign colleges or universities shall have their education evaluated by a foreign credentials evaluation advisory service specified by the board.

193A—3.3(542C) Acceptable experience.

3.3(1) With respect to the three years' continuous experience required by Iowa Code section 542C.5, subsection 2, prior to December 31, 2000, the board will consider any three-year period of service as continuous even though part of the three-year experience is immediately prior to service in any branch of the armed forces of the United States and the balance of the experience is immediately after such armed forces service. The three years' continuous experience does not need to be for the same employer.

3.3(2) Credit may be allowed for part-time experience at the discretion of the board.

3.3(3) The required experience shall have been in public practice and a significant part of the experience shall have been directed toward the expression of an opinion on financial statements. Applicants are expected to obtain for the board a statement from each of the applicant's employers supporting the required experience beginning with the most recent. This statement shall be attested to by a partner or shareholder of each employer or sole practitioner employer and shall describe the extent of the applicant's experience in the following areas:

- a. Experience in applying a variety of auditing procedures and techniques to the usual and customary financial transactions recorded in accounting records.
- b. Experience in the preparation of audit working papers covering the examination of the accounts usually found in accounting records.
- c. Experience in the planning of the program of audit work including the selection of the procedures to be followed.
- d. Experience in the preparation of written explanations and comments on the findings of the examinations and on the content of the accounting records.
- e. Experience in the preparation and analysis of financial statements together with explanations and notes thereon.

The applicant is responsible for such material being in the possession of the board by the deadline for filing applications. Otherwise the application shall be considered incomplete and shall be disapproved by the board.

193A—3.4(542C) Examination applications.

3.4(1) Individuals desiring to take the examination for qualification as a certified public accountant should apply on the form provided by the board's administrator. Different forms will be provided for original examinations and reexaminations.

3.4(2) To be eligible to take the examination the applicant shall have fulfilled the requirements of Iowa Code section 542C.5(1) at the date the examination is held. The applicant shall also have fulfilled the requirements of section 542C.5(2) unless the applicant is specifically exempted from doing so un-

der other provisions contained in section 542C.5. Reexamination applicants will be considered to have fulfilled these requirements thereafter.

3.4(3) A nonrefundable proctoring fee shall be collected from candidates who wish to be proctored in Iowa.

193A—3.5(542C) Deadline for filing applications. Examinations are ordinarily held in May and November of each year, and all applications to take the examinations must be filed during the period January 1 to the last day of February for the next May examination and during the period of July 1 to August 31 for the next November examination. Applications will not be considered as filed until they are complete in all respects. Applications shall be deemed filed on the date received by the board, or if mailed, the date postmarked (but not metered), whichever is earlier. Late applications will not be accepted.

This rule is intended to implement Iowa Code section 542C.5.

193A—3.6(542C) Content and grading of the examination.

3.6(1) The board may make use of the uniform certified public accountant's examination prepared by the American Institute of Certified Public Accountants under a plan of cooperation with the boards of all states and territories of the United States.

3.6(2) The board may also make use of the advisory grading service provided by the American Institute of Certified Public Accountants, under a plan of cooperation with the boards of all states and territories of the United States.

3.6(3) The uniform certified public accountant's examination shall be in writing and the identity of the person taking the examination shall be concealed until after the examination papers have been graded by the advisory grading service. A grade of at least 75 in each subject shall be passing.

3.6(4) Successful candidates shall also be required to pass an examination covering the rules of professional conduct and the Iowa accountancy law and related rules.

193A—3.7(542C) Conditioning requirements.

3.7(1) A candidate must take all subjects at one sitting until the candidate achieves the status of conditional candidate or passes all subjects.

3.7(2) A candidate who at any examination passes two or more subjects and obtains a grade of not less than 50 in each subject failed shall be considered as a conditional candidate in the subjects successfully passed. However, the minimum grade requirement will be waived if three subjects are passed at a single sitting.

3.7(3) A candidate who achieves conditional standing shall be credited with the subjects in which the candidate received passing grades. A conditional candidate may, upon payment of the required fee, appear for reexamination in the subject or subjects failed at any of the next six semiannual examinations.

3.7(4) When a conditional candidate appears for reexamination, the candidate must write on all subjects for which failing grades were received. To obtain credit for a subject or subjects passed upon any reexamination, the conditional candidate must obtain a grade of not less than 50 in each subject failed. A grade of less than 50 shall have no effect on a prior condition.

3.7(5) If, on reexamination, the candidate fails to pass the remaining subject or subjects within the time provided for reexamination in subrule 3.7(3), such candidate shall revert to the status of a new applicant, write the entire examination, and pay the appropriate fee.

3.7(6) The time limit within which a candidate is required to pass all subjects under this rule shall not include any period during which the applicant was serving in the armed forces of the United States. This exception does not apply if the candidate takes an examination while so serving. The board may extend the time limit in particular instances on a case-by-case basis.

3.7(7) Candidates requesting transfer of grades from any other jurisdiction will be subject to the same provisions of this rule as candidates initially sitting as an Iowa candidate provided the examination given by the licensing authority in the other state was an examination approved by the Iowa board.

3.7(8) Candidates requesting transfer of grades from any other jurisdiction who do not meet the provisions of this rule, but who meet all of the requirements for issuance of an original certificate in the examining state other than residency, may, at the board's discretion, be required to take at least one section of the examination designated by the board.

This rule is intended to implement Iowa Code section 542C.5.

193A—3.8(542C) Transitional period. Candidates having conditional credits as of May 1994 under the current examination structure shall be awarded conditional credit under the new examination structure as follows until current conditional status expires or all sections are passed, whichever occurs first:

Candidates who have been awarded conditional credit under the current structure for Auditing shall be awarded credit for Auditing under the new structure.

Candidates who have been awarded conditional credit under the current structure for Business Law shall be awarded credit for Business Law and Professional Responsibilities.

Candidates who have been awarded conditional credit under the current structure for Accounting Theory shall be awarded credit for Financial Accounting and Reporting-Business Enterprises.

Candidates who have been awarded conditional credit under the current structure for Accounting Practice shall be awarded credit for Accounting and Reporting-Taxation, Managerial, Governmental and Not-for-Profit Organizations.

193A—3.9(542C) Examination procedures.

3.9(1) Evidence of the identification of the candidate at the examination must be with some official document, such as a driver's license, student identification, service identification, or passport which contains the candidate's photograph. The candidate will be known in the examination by the identification number and this number shall be placed on every sheet containing computations for or answers to the examination questions.

Under no circumstances shall a candidate's name, initials, or any identifying mark, other than the assigned number be placed on any of the examination papers. Failure to comply with this rule shall be deemed misconduct sufficient for rejecting the candidate's papers.

3.9(2) Answers must be submitted on blanks furnished by the board's administrator and must be completed in the total time allotted for each subject.

3.9(3) Stationery and supplies furnished by the board's administrator shall remain its property and must be returned whether used or not.

3.9(4) In the event that any examination papers are lost, the liability of the board or its administrator will be limited to the fee paid by the applicant for the examination.

193A—3.10(542C) Conduct of the examination.

3.10(1) Any individual who subverts or attempts to subvert the examination process may, at the discretion of the board, have the individual's examination scores declared invalid for the purpose of licensure in Iowa, be barred from accountancy licensing and certification examinations in Iowa, or be subject to the imposition of other sanctions the board deems appropriate.

3.10(2) Conduct which subverts or attempts to subvert the examination process includes, but is not limited to:

a. Conduct which violates the security of the examination materials, such as removing from the examination room any of the examination materials; reproducing or reconstructing any portion of the licensing examination; aiding by any means in the reproduction or reconstruction of any portion of the licensing examination; selling, distributing, buying, receiving, or having unauthorized possession of any portion of a future, current, or previously administered licensing examination.

b. Conduct which violates the standard of test administration, such as communicating with any other examination candidate during the administration of the licensing examination; copying answers from another candidate or permitting one's answers to be copied by another candidate during the administration of the examination; having in one's possession during the administration of the licensing

examination any books, notes, written or printed materials or data of any kind, other than the examination materials distributed.

c. Conduct which violates the examination process, such as falsifying or misrepresenting educational credentials or other information required for admission to the licensing examination; impersonating an examination candidate or having an impersonator take the licensing examination on one's behalf.

3.10(3) Any examination candidate who wishes to appeal a decision of the board under this rule may request a contested case hearing. The request for hearing shall be in writing, shall briefly describe the basis for the appeal, and shall be filed in the board's office within 30 days of the date of the board decision being appealed. Any hearing requested under this subrule shall be governed by the rules applicable to disciplinary proceedings under 193A—Chapter 12.

193A—3.11(542C) Refunding of examination fees. Examination fees shall not be refunded except as follows:

1. An applicant who is admitted but fails to attend the examination shall be rebated 50 percent of the prescribed fee provided notification that the applicant will not be present is received by the board 30 calendar days prior to the beginning of the examination.

2. Fifty percent of the prescribed fee shall be returned to applicants whose application has been submitted and examined but who are found not qualified to take the examination.

3. In hardship cases, when the applicant for the examination is prevented from attending for such reasons as unexpected illness, death in the family, or call to active military service, 50 percent of the fee may be returned provided that under the circumstances it was not possible for the applicant to notify the board at least 30 calendar days prior to the beginning of the examination that the applicant could not be present.

193A—3.12(542C) Review of examination papers. Examination papers may be reviewed by an unsuccessful candidate only after grading has been reviewed and passed upon by the board, and then only by the candidate and one other person whom the candidate may invite to review them, and only in the offices of the board. This rule comprehends review by a candidate of the candidate's own papers only, for educational benefit, and is not to be construed as providing a basis for seeking regrading. The board shall not regrade papers.

193A—3.13(542C) Destroying examination papers. The board may, in its discretion, destroy examination papers within six months after the examination pursuant to procedures under Iowa Code chapter 304.

193A—3.14(542C) Obtaining the certificate. Candidates who successfully pass the examination shall make application for their certificate on a form that may be obtained from the board office.

193A—3.15(542C) Obtaining a certificate by reciprocity.

3.15(1) A person desiring a certificate as a certified public accountant in this state on the basis of holding a certificate in another state (or other acceptable qualification in another country) must apply upon a form that may be obtained from the board office. A nonrefundable application fee will be charged each applicant.

3.15(2) In the case of an application for a certificate as a certified public accountant in this state by the holder of a certificate, license, or degree in a foreign country as referred to in the last paragraph of Iowa Code section 542C.5, the burden is on the applicant to furnish information satisfactory to the board that the applicant's qualification in such other country is in full force and effect and was equivalent to the qualifications required in this state for the granting of a certificate as a certified public accountant.

3.15(3) If the applicant has been in continuous practice for at least seven years immediately prior to making application for an Iowa CPA certificate, the board shall consider the applicant to possess the equivalent of the qualifications under Iowa Code section 542C.5(2).

3.15(4) The board shall not waive the requirements of Iowa Code section 542C.5(1) unless the state or foreign country of which the applicant is a resident has a policy of issuing reciprocal certificates to applicants who are residents of Iowa.

These rules are intended to implement Iowa Code chapter 542C.

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